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Marketing Activities

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A WEEKLY BUTTER PRODUCTION REPORT

By B. H. Bennett

Weekly creamery butter reports will be issued by the Agricultural Marketing Service, starting October 17. It is proposed to show changes by percentages in the output of a selected group of creameries whose combined production has been found representative of the industry as a whole. Each week's production will be compared with the output of the same group during the preceding week, and for the corresponding period of the previous year.

The new report was inaugurated in an effort to keep pace with the remarkable growth and the increasingly complex problems of the butter industry. Production in 1919 totaled 793 million pounds. By 1938 it had more than doubled, production that year being estimated at nearly 1,790,000,000 pounds.

Approximately 4,700 creameries are now engaged in the manufacture of butter, and only a relatively small proportion are equipped with sufficient storage facilities to hold large quantities for an appreciable time. The lack of storage space has resulted in the general practice of selling and shipping all butter made as promptly as possible, with little regard for prevailing prices.

Although a considerable quantity is sold locally, a large part of the creamery butter produced finds its way to the large distributing and consuming markets. It is desirable that the prices established at such markets reflect the proper relation between supplies and demand. The information on supplies, heretofore, has been incomplete, consisting only of the visible supplies -- receipts and stocks. The invisible supplies -- current production -- have not been taken completely into account.

The need for more timely information on current production led to the inauguration of a monthly estimate of creamery butter production by the Bureau of Agricultural Economics as far back as in 1926. That report, while serving a definite purpose, has not been timely enough to meet the needs of the butter industry. Funds for the collection and publication of weekly butter statistics became available in the 1939-40 Agricultural Appropriation Act, and the Agricultural Marketing Service was authorized to handle the report.

Selected creameries located in the Mountain and Pacific Coast States will be asked to make weekly reports of their production to the

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Portland, Oregon, office of the Agricultural Marketing Service. Those in the Middle Western States will report to the Des Moines, Iowa, office. Plants in other areas will report direct to Washington. Tabulations from the two regional offices will be wired to Washington, where the complete reports will be assembled. The reports will be released each Tuesday afternoon from Washington, Des Moines, and Portland, and through the Service's market news offices handling dairy reports.

The new weekly butter production report will not replace the present monthly production estimates, but will serve as a supplementary service. Weekly changes will be shown only by percentages, while the monthly report will continue to show quantitative estimates. It is planned to coordinate the compilation of the two reports as closely as possible to prevent needless duplication in the collection of data, but it will require some little time before full coordination can be accomplished. It is also planned, through such coordination, eventually to move the release date of the Monthly Report up to about the 15th of the month.

(NOTE: Mr. Bennett is agricultural statistician in charge of dairy and poultry marketing statistics for the Agricultural Marketing Service.)

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NATIONAL MARKETING OFFICIALS

MEET IN FLORIDA, NOV. 13-17

Dates for the Twenty-first Annual Convention of the National Association of Marketing Officials, to be held in Florida, have been announced as November 13 to 17, inclusive. Following a one-day meeting at Jacksonville on Monday, November 13, the marketing officials and their guests will meet "en tour" in some of the major producing areas of the State with the program for the final day, November 17, arranged for Miami.

Discussion leaders and speakers at the various meetings are being selected to represent each of the several States from which delegates will attend, and the various Federal agencies concerned with marketing service and regulatory work. Major topics for discussion include transportation problems, market reporting, terminal market regulation, and distribution of farm products as they affect both producers and consumers.

Webster J. Birdsall, Director of the Bureau of Markets of the New York State Department of Agriculture and Markets, is chairman of the program committee. L. M. Rhodes of Florida, Honorary Life President of the National Association, is in charge of the tour and local arrangements. The tour feature of the Convention is unique in that it will afford the visiting marketing officials the opportunity to observe and discuss grades, inspection, and other shipping point problems in areas of highly concentrated production.

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PROPER PREPARATION OF
TURKEYS FOR MARKET ESSENTIAL

. By Roy C. Potts

More than usual attention must be given to the preparation of turkeys for market this year. The turkey crop is the largest of record--almost 32 million birds. This is 22 percent larger than the 1938 crop of over 26 million birds.

Cold storage holdings on September 1 were almost double those of the same date last year--10,808,000 pounds, compared with 5,711,000 pounds on September 1, 1938. When large supplies of a commodity are available, it is the better quality that sells first. For this reason, consumers and dealers are going to be especially discriminating in their turkey purchases this year.

To bring the best prices, birds must be well finished, well fattened, and properly prepared for market. Birds with a considerable number of pin feathers are placed in the second or even the third grade. And such turkeys can be sold only at a reduced price. Since the difference between the highest and lowest quality turkeys often amounts to 75 cents per bird, this is an important item to the producer with a flock of several hundred birds.

According to Government standards for grading turkeys, birds with feed in the crop cannot be placed in even the lowest grade. Full crops, or any feed in the crop at all, is likely to cause spoilage. Birds must not be fed the day they are slaughtered.

Abrasions or torn skin are always unsightly, and such defects become more pronounced the longer the birds are kept. For this reason, they must not be bruised nor scuffed in picking. Turkeys must be well bled, and head wrappers must be tightly applied and so adjusted that no blood can seep through to soil other turkeys packed in the same box. Feet and vents must be carefully cleaned so as not to contaminate other birds packed next to them.

Most important, a proper job of grading and sizing must be done. Turkeys carefully graded are much easier to sell than a miscellaneous lot of turkeys poorly graded. The trade now demands turkeys of a particular size, or near a particular size. A variation of more than 2 pounds to the bird must not be permitted in any box with the exception of the old toms.

(NOTE: Mr. Potts is principal marketing specialist in charge of the Division of Dairy and Poultry Products of the Agricultural Marketing Service.)

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RUTGERS TO LAUNCH
TURKEY STUDY CENTER

Work will start November 1 on a new turkey research center at Millville, New Jersey, according to a recent announcement of Rutgers University. Start of work on the new center will make New Jersey the first State to establish an experimental station devoted exclusively to the investigation of turkey husbandry problems.

SUNFLOWER-SEED CROP IS SECOND SMALLEST OF RECORD

The 1939 sunflower-seed crop is nearly 14 percent smaller than the light crop of a year ago, and is 62 percent below average. With the exception of the 1930 crop, this is the smallest production of record. The current crop of 2,590,000 pounds compares with the 1938 production of 3,020,000 pounds, and the 1928-37 average of 6,815,000 pounds.

Low prices and poor crops the past few years have resulted in sharp acreage reductions in Missouri and Illinois. The California acreage, however, is slightly larger than a year ago. But even with a small carry-over of old seed and a light crop, the demand for sunflower seed has been slow. And imports of this commodity have been negligible this year.

Sunflower seed is chiefly used in poultry feed mixtures.

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FEDERAL MARKET NEWS OFFICE FOR LIVESTOCK OPENED AT PEORIA

A market news office for the issuance of daily and weekly livestock market reports was opened by the Agricultural Marketing Service at Peoria, Ill., October 1. The Peoria office makes a total of 30 offices in full operation at leading livestock markets.

John A. Burgess, who will be in charge of the new office, is a veteran in market news work. Mr. Burgess has been closely identified with livestock work since 1917. Market news reporting was inaugurated in 1916, when offices were opened in Boston, New York, Chicago, and Philadelphia. The Peoria market ranks 21st in the receipt of all livestock out of a total of 67 major livestock markets.

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NEW FOOD GRADES UNDER CONSIDERATION

Tentative grade standards for frozen lima beans for submission to the trade and consumers for comment and criticism were announced September 18 by the Agricultural Marketing Service. The tentative grades set up include fancy, choice, standard, and off-grade qualities of the frozen product. As in the past, the existing inspection facilities of the Service will be available for these commodities.

Preparation of the tentative standards has followed extensive research with frozen lima beans. The grade designations and specifications later may be made official, but only after processors, handlers, consumers and others interested have had ample opportunity to present their views on the various grade requirements.

New regulations governing the inspection and certification of canned fruits and vegetables will be ready for distribution in the near future. They were promulgated by the Secretary and became effective August 25. The principal changes in the regulations provide a greatly amplified schedule of fees to cover the service

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1939 HONEY SEASON

DISAPPOINTS BEEKEEPERS

. By Harold J. Clay

Bees have very little to work upon now that cold weather and snow flurries are extending southward. Except for possible winter stores to be gathered in portions of the North from late asters, and late goldenrod, and further south from bitterweed, Mexican clover, and late smartweed, the 1939 honey season is over.

Early in the season, with favorable plant prospects over a wide area of the North, an average honey crop was expected. But as the season advanced, unfavorable weather conditions and insects reduced the hoped-for output in many sections. It is difficult to estimate the size of the crop, but reports from well-informed beekeepers indicate that it is substantially smaller than the 1938 crop, which was estimated to be about 200 million pounds.

Unusually hot weather during the summer, with lack of rainfall, sharply reduced early prospects for a large crop of white honey in the White Clover Belt, which ranges from New York westward and southwestward through Ohio, Indiana, and Illinois, and States to the North. The same conditions, in addition to countless millions of grasshoppers and alfalfa weevils, reduced the yield of White Sweet Clover-Alfalfa honey in the Intermountain States. In Utah, spray poisoning and poisoned bait, intended for other insects, reduced the number of bees. California reports one of the shortest crops in years, especially in the southern part of the State, where the crop of Orange honey was only 30 percent of normal. And the output of California White Sage honey is even smaller.

Good yields were reported in some sections, however. Beekeepers harvested heavy honey crops this year in the eastern portion of the Plains States. Many beekeepers in Iowa, eastern Nebraska, eastern Kansas, and eastern South Dakota reported yields of White Clover and White Sweet Clover honey ranging 100 to 200 pounds to the colony. Some reported more. And Michigan and Louisiana yielded fairly well.

Giving careful attention to the colonies was profitable. In the areas where average yields were low, some individual beekpers reported a good outurn of honey. High yields in such areas were reported by beekeepers who took especially good care of their hives and brought them to full strength early in the season. Even in the Plains States, the highest honey yields were reported by beekeepers whose bees were ready to gather nectar at the very start of the season.

The quality of this year's crop varies widely, especially in the body of the honey. In the White Clover Belt, the early honey was often of rather thin body. This condition usually suggests excessive rainfall at the time the nectar is being gathered. But it is probable that many beekeepers extracted honey this season before it was thoroughly ripe in an effort to bring in enough money to take care of outstanding obligations. Later in the season, White Clover honey was heavier. Occasional bee-

keepers in the Intermountain States report that their White honey was so thick that they had difficulty in extracting it, though it had just been taken from the hives. Over much of the North and West the honey has been white in color and often Extra White.

The season has been disastrous to producers of package bees and queens. Although the demand from Canadian beekeepers was good, beekeepers in this country made fewer inquiries than usual, for last winter was exceptionally mild and losses of colonies in the North was light. Because of small returns for honey, many beekeepers decided to expand their holdings by dividing their own colonies, rather than purchase packages from the South. Package beemen were further handicapped by cool weather in the spring, when bees and queens normally multiply rapidly. And irregular prices were discouraging to many shippers. Even with a marketing agreement, many package beemen gradually lowered their quotations. As the result of a mail referendum to producers, the marketing agreement program was terminated on August 29, 1939. In spite of the unusual handicaps, a million package bees and nearly 200,000 queen bees were sold last season.

The trend of production toward extracted honey and away from section comb honey has continued during the past year. Many producers of comb honey have decided that the weather during recent seasons has been too uncertain to depend upon producing well-filled sections. Producing comb honey requires a great deal of work and more specialized skill than the production of extracted honey. Commercial beekeepers, who carefully watch costs, are finding it more profitable to produce extracted honey.

The carry-over of old crop honey into the 1939 season was heavier than usual, especially in the Mountain States and portions of the White Clover Belt. This old crop honey sold at low prices and had an adverse effect on new crop prices. Bottlers have been using the old honey, and have been less interested in the new crop than is usual at the beginning of a new season. A recent undercurrent of strength in the market, however, appears to be gaining some momentum.

Reports from abroad indicate that the exportation of honey will be restricted. The British Board of Trade has issued an order prohibiting the importation of certain "luxury" foods, including honey, without a separate license for each transaction. Great Britain has also notified neutral countries that it considers food products as contraband of war. Italian importers, it is reported, are unable to secure import licenses for honey from their government.

Imports of honey to this country are insignificant. During the year ended June 30, 1939, imports totaled only one-quarter of a million pounds from foreign countries and about 2 million pounds from Puerto Rico and Hawaii.

(NOTE: Mr. Clay is associate marketing specialist in charge of honey and peanuts for the Agricultural Marketing Service.)

PACA BENEFITS GO BEYOND
SECRETARY'S DECISIONS

. By H. A. Spilman

The Perishable Agricultural Commodities Act has been in effect for a little over 9 years. During that time the Secretary has rendered decisions in 2,366 cases and has issued reparation awards amounting to more than \$621,582. Publication of the facts has been ordered in more than 1,600 cases. Since the public is more familiar with these cases, many people measure the work done under the act by the decisions of which they read in trade papers.

The decisions issued by the Secretary, however, are by no means a complete measure of the work done under the act. More than 21,000 complaints have been received and handled by the Agricultural Marketing Service. There are seldom more than 850 complaints pending at any given time. Including those decided by the Secretary, more than 20,000 cases have been disposed of in the last 9 years.

When the act was first passed some of its provisions were not so effective as its sponsors desired. On April 13, 1934, certain amendments became effective which strengthened the act materially. One result of these amendments has made it possible to arrange amicable settlements in a great many cases. Since April 13, 1934, more than \$1,200,000 has been paid to complainants on this basis.

Within the past 2 years an additional service has been offered to the trade. Cases may be settled without formal action by submitting them to the Agricultural Marketing Service for informal determination. The trade was somewhat slow to adopt this service, but an increasing interest has been shown recently, and it is expected that a large proportion of future cases will be handled in this manner.

Wholly outside of formal or informal action taken by the Department is the effect of this act and its enforcement on the practices followed by the trade. Since the act was intended to suppress unfair and fraudulent practices in the marketing of fruits and vegetables, it is obviously more important to prevent licensees from engaging in unfair and fraudulent practices than to punish them for such practices after they have occurred. The opinions expressed by the trade and by attorneys who make a specialty of produce cases, indicate that there has been a marked decrease in the number of unjustified rejections by receivers, and shippers apparently are more punctilious in carrying out their contracts. Commission merchants handling goods for the account of others are becoming more careful and accurate in rendering sales accounts.

(Mr. Spilman is senior marketing specialist in charge of enforcement of the Perishable Agricultural Commodities Act.)

CONFERENCES AND HEARINGS SCHEDULED ON FEDERAL SEED ACT REGULATIONS

Proposed regulations under the new Federal Seed Act will be discussed at conferences set by the Agricultural Marketing Service for November 1 in San Francisco, Calif., and November 6 in Kansas City, Mo. The final hearing will be held at the Department of Agriculture in Washington, D. C., on November 27. Mr. C. W. Kitchen, chief of the Service, will preside at the meetings.

The new Federal Seed Act will become effective February 5, 1940, as to imported agricultural and vegetable seeds, and as to agricultural seeds in interstate commerce. Provision pertaining to vegetable seeds in interstate commerce will become effective August 9, 1940.

Copies of the proposed regulations are being mailed to persons who have indicated an interest in these conferences, it was stated. Requests for copies should be made to the Agricultural Marketing Service, Washington, D. C. The regulations will explain the procedures that will be followed in administering the Act. And full consideration of the proposed regulations is deemed of importance to growers, dealers, and consumers of seed.

The conferences are scheduled to start at 9:30 A. M. The San Francisco conference will be held in Room 237 of the Merchants Exchange Building, 465 California Street; the Kansas City conference is to be held at the Hotel President. The final hearing at Washington, D. C., will be in Room 2862 of the South Building of the Department of Agriculture, at 14th and Independence Avenue.

New York Specialist Lists Benefits

Farmers of New York State will be greatly benefited by the new Federal Seed Act. This is the confident opinion of Prof. M. T. Munn, in charge of the State's seed testing laboratory at Geneva. Prof. Munn points out that many farmers who formerly bought seed outside New York State did not get what they bargained for, and because the purchase was an interstate transaction the State seed law did not apply.

"The new Federal Seed Act requires that all seed shipped into New York State in interstate commerce must be completely and truthfully labeled to comply with the requirements of New York law," says Prof. Munn, who continues as follows: "This act very materially curtails the movement of noxious weed seeds, and if the local seed law is deficient in any respect it can be remedied by legislative action. One very helpful provision is that false advertising is prohibited, that is, the type of advertising which leads the farmer to believe that he is to get an exceptional bargain, or unusual seed stock at a very low price."

The interstate clause of the law will be administered by the Agricultural Marketing Service in cooperation with State officials, and it is confidently believed that the quality of seed offered will be vastly improved, and also, that other unfair practices in the trade will be greatly minimized.

THE TURKEY GRADING SERVICE

-By Thomas W. Heitz-

The Federal turkey grading service has been established in practically every important turkey producing State. This work is carried on in co-operation with a State agency, usually the State Department of Agriculture, with marketing specialists from the State colleges and universities, or preferably with both.

The service began in a very limited way in 1928, when only a few hundred thousand pounds were graded. Since that time the quantity graded each year has varied, depending on the size of the crop. A high total of almost 30 million pounds was graded in 1937. Somewhere between 35 and 40 million pounds will be graded this year, it is estimated.

Federal grading schools are held every year in each of the cooperating States. And more schools are scheduled to be held this season than for any year since the service was started in 1928. Beginning early in October, 24 schools will be conducted in 17 major turkey producing States.

Between 2,000 and 3,000 people attend these schools each year. The attendance usually is made up of turkey producers, turkey graders, extension specialists from the colleges and State Departments of Agriculture, county agents, and hatcherymen. The schools are intended primarily for the training of those who are to be licensed to grade turkeys in accordance with the U. S. standards, but they are open to anyone interested in turkeys.

The Federal schools are followed by similar schools held in different parts of the States by the Federal-State supervisor. At these schools attendance varies from 25 to several hundred. Some 300 graders are licensed at the schools yearly, and they in turn grade the turkeys at packing plants or at the farmers' pools where turkeys are brought for shipment. In most cases after the turkeys are graded they are tagged with the grade tag fastened with a Government seal which states clearly not only the grade but the age of the turkey.

The Federal charges for this grading service are nominal, depending on the quantity shipped. Usually they are about \$2.50 per car. The different States have charges which are added to this fee to help cover the cost of supervision. The State charge varies from \$5 to \$15 per car.

(NOTE: Mr. Heitz specializes in poultry grading work for the Agricultural Marketing Service.)

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FOREIGN DEMAND FOR TOBACCO DOWN

Conditions affecting the domestic consumer demand for tobacco products probably will be more favorable than last year, reports the BAE. Consumption of cigarettes continues with a moderate upward trend. Monthly withdrawals for 1939 show an upward trend in cigar consumption. Conditions arising from the European War, however, cause export prospects to appear less favorable than last year.

MORE THAN 900 COTTON GROUPS APPROVED FOR FREE CLASSING

To October 9 a total of 915 applications from organized cotton improvement groups for free classification and market news services had been approved by the Agricultural Marketing Service. Some applications that were filed within the time limit (March 15 to September 1) are still pending approval.

Approvals for the 1939-40 ginning season represent a material increase over last season when only 312 groups were approved. The 915 groups already approved have a total of more than 64,000 farmer members who report 1,763,000 acres planted to their adopted varieties.

These approvals are made under the authority of the so-called Smith-Doxey Act of April 13, 1937. This amendment to the Cotton Grade and Staple Statistics Act directs the Secretary of Agriculture to furnish growers who organize to improve their cotton (1) free classification of cotton produced by each organized group, and (2) timely information on the market supply, demand, location, condition, and market prices for cotton.

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THANKSGIVING DAY CHANGE BOON TO CALIFORNIA TURKEY GROWERS

The decision to make Thanksgiving Day come a week earlier this year will not make things difficult for California turkey growers in the opinion of Dr. V. A. Asmundsen, head of the division of poultry husbandry on the Davis campus of the University of California.

"In fact", says Asmundsen, "the shifting of the Turkey Day date may be a small boon to turkey growers in that it will start the traditional turkey eating season a week earlier than usual."

According to the College of Agriculture expert, a large percentage of California turkeys are fitted for the early market and will be ready in ample time for the Thanksgiving rush. The bulk of the remaining birds do not reach the market until after Christmas.

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MURPHY HEADS GRAIN DIVISION

The appointment of Edward J. Murphy as head of the Grain Division of the Agricultural Marketing Service was announced by C. W. Kitchen, Chief. The appointment became effective September 25. Mr. Murphy has been acting in charge of the Division since the death of E. C. Parker on July 21 of this year. In his new capacity, Mr. Murphy will be immediately responsible for the enforcement of the provisions of the U. S. Grain Standards Act. This work involves the supervision of approximately 400 licensed grain inspectors, standardization and inspection research on grains and rice.

NEW RADIO SERVICE WELL RECEIVED
BY FRUIT AND VEGETABLE GROWERS

. . . . By E. J. Rowell

Market news is one of the most valuable services provided to farmers. And the vegetable grower has a special need for up-to-the minute market information. Many of his crops are highly perishable and oftentimes a few hours delay in catching the trend of the market is the margin between profit and loss.

Agricultural market reports were first broadcast in 1921, and each succeeding year radio has occupied a more important place in the dissemination of market information. Nearly one-half of the radio stations in the United States are now carrying market news information one or more times daily. During the past 2 months fruit and vegetable reporters of the Agricultural Marketing Service, covering the New York market, have been collecting market information 2 hours earlier in the morning. This has made possible an early morning broadcast of the current day's fruit and vegetable market information from WOR, New York City. The broadcast, which goes on the air at six-thirty each week day morning, is particularly helpful to vegetable growers who sell to farm-to-farm buyers.

In addition to the up-to-the-minute information, this half-hour program also includes a review of the previous day's markets for fruits and vegetables, livestock, dairy and poultry products, and other agricultural news.

Through the close contact with the market which these broadcasts provide, thousands of growers are able to decide their marketing questions: when to harvest, how much to harvest, and what price to ask. The broadcasts originating in New York City are used by farmers as far as 200 miles away.

These early morning broadcasts were put into effect entirely on an experimental basis. The many favorable comments from growers and dealers indicate it is highly desirable that the service be continued, or even expanded, if facilities permit. The success of the plan in operation in New York City has already led to the establishment of a similar program over KYW in Philadelphia.

Those who have watched the development of "radio facsimile" predict that it will become an important means of distributing market reports. Within a few years it may be possible for the marketing specialist to prepare his report, place it in front of a scanning machine, and have it appear in a matter of seconds in printed form on an attachment to the farmer's radio. At the present time the machines are being used on an experimental basis in many parts of the country. The experimental transmission of market reports has already indicated the potential value of this method of market news dissemination.

(Note: Mr. Rowell is radio market news specialist for the Agricultural Marketing Service.)

1940 FARM OUTLOOK RELEASES
SCHEDULED NOV. 6 TO NOV. 15

The 1940 farm Outlook Reports, prepared jointly by the Agricultural Marketing Service and the Bureau of Agricultural Economics, will be released daily, except Sunday, from November 6 to November 15, inclusive.

The reports will cover the current and prospective situation as to supply, prices, and demand for the major farm products. They will include information that will aid farmers in planning their crop and livestock production and marketing plans for the coming year.

The outlook reports this year will devote considerable attention to the effect the present European situation may have upon domestic and foreign demand. The export and import situation, in view of the disturbed world conditions, will be especially emphasized.

The first release in the series is on the domestic and foreign demand for farm products. This will be followed by reports on agricultural credit; farm labor, equipment and fertilizer; horses and mules; wheat and flaxseed; cotton and cottonseed; feed crops and livestock; hogs, beef cattle, sheep, and meats; dairy products; tobacco; peanuts, rice, dry beans, and potatoes; poultry and poultry products; wool; fruit and nut crops; vegetables; soybeans; and clover and alfalfa seed. Included is a report on the outlook for farm family living, prepared in cooperation with the Bureau of Home Economics and the Extension Service.

The basic material, assembled and organized during the past few months by the two Bureaus, assisted by specialists of other agencies of the Department of Agriculture, will be analyzed and completed the week of October 30-November 4 in cooperation with representatives of the State Agricultural Colleges and of other Governmental agencies.

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KATAHDIN POTATOES
POPULAR IN LOUISIANA

A recent survey of Louisiana parishes by the State Extension Service indicates that the Katahdin potato is becoming more popular. Reports from all parts of the State point out the superiority of this variety over other varieties for home planting, local markets, and shipping.

The Katahdin is a round white potato with only a few, very shallow eyes, which makes it much in demand by hotels and restaurants because it peels with economy in the peeling machines. It is a good yielder and keeper, and resists heat and drought. Home-grown seed can be planted repeatedly if the original stock comes from the best of certified seed, and if it is not planted near other varieties full of seed-borne diseases.

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REPORT DISCUSSES NEW WEIGHT
TRADING FOR AMERICAN COTTON

"Should net weight trading and standards for tare be adopted for American cotton?" That is the title of a report issued this month by the Agricultural Marketing Service.

The report discusses the advantages of changing from the present method of purchase and sale by gross weight to net weight trading for American cotton. According to the Service, net weight trading would effect material savings both for farmers who grow cotton and for consumers of cotton products. "Under competitive conditions in the marketing of raw cotton", the report says, "any reduction in marketing costs would be expected to produce greater returns to producers and lower costs to consumers."

A major essential for trading in cotton on a net-weight basis is the adoption of standard strength, weight and size requirements for each type of bagging material permitted. Under such a system, bale ties would be similarly standardized as to strength requirements and weights.

Under the present gross-weight system with fixed allowances for tare, there is an incentive to choose cheap, heavy bale-covering materials. These materials fail to withstand the wear and tear of handling and shipment, and the extra weight beyond what actually would be required to protect the cotton adds substantially to transportation and other costs.

Costs are further increased by the application of patches to bring the bale tare up to the tare allowances of domestic and foreign markets. These unnecessary costs are in addition to the losses from damaged cotton that result from unsatisfactory protection of the bale contents.

At present, because of the differences in tare allowance between domestic and foreign markets, bales must be patched differently for domestic and foreign shipment. Therefore, the entire process of concentrating, storing and merchandising involves extra trouble and expense. The adoption of net-weight trading, by removing the inducement to increase tare weight, would tend to simplify the marketing process as well as to reduce costs.

Another advantage claimed for net-weight trading is the improved appearance of American cotton bales as they arrive at domestic and foreign markets and mills. This would enhance the competitive position of American bales in world markets and remove the present disadvantage of unattractive appearance. The use of standardized light-weight packaging materials would materially lower the import duty and special tax charges now assessed against American cotton on a gross-weight basis.

In a foreword to the report, C. W. Kitchen, Chief of the Agricultural Marketing Service, points out that the net weight studies were undertaken because of extensive discussion within the cotton industry

during recent years of possible ways of changing the prevailing gross-weight method of merchandising cotton to a system of marketing on net weights. Cotton marketing specialists have collected much information to serve as a background for appraising the merits of such a change.

John W. Wright, senior agricultural economist, is author of the report in which the information has been summarized. Copies are available upon request addressed to the Agricultural Marketing Service, Washington, D. C.

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HOT, DRY SEPTEMBER BRINGS CROP DECLINES

Crop prospects declined about 1 percent during September, which was the hottest and driest in many years, the Crop Reporting Board states. Prospects for wheat pastures this fall, and for winter wheat production next year also declined with further depletion of soil moisture from Nebraska southward.

In addition to cotton, which declined nearly 4 percent, the crops which showed the most important decreases in prospect during September were grain sorghums 12 percent, peanuts 5 percent, potatoes 2 percent, sweetpotatoes 3 percent, and small reductions are shown for tobacco, buckwheat, sugar cane and apples.

But the warm, dry weather was favorable for maturing, harvesting, and threshing grain, beans, late cuttings of hay and a few other crops. The warm weather also pushed crops to maturity and this helped to prevent serious damage from the frosts of late September which had killed tender vegetation about 300 miles farther south than is usual October 1.

Estimates of the principal food crops show about average production of grains (wheat, rye, rice, and buckwheat) considered together. A moderately small crop of potatoes is about offset by a larger-than-average crop of sweetpotatoes. The bean, peanut, sugar beet, sugar cane crops are all large. Fruit production is sufficient to give more than the usual per capita supply, and the quantities of fall vegetables available for current consumption and winter storage appear adequate.

When sealed corn is excluded, the supply of feed grains per unit of livestock on hand is about equal to the average supply during the pre-drought years. Hay supplies are ample for ordinary feeding requirements.

Aggregate production of all crops will be 1 or 2 percent above the average production before the drought of 1933, for good yields per acre more than offset the 7 percent reduction in acreage. Crop production is quite unevenly distributed, however, and the poor condition of western ranges and the lack of moisture in the Wheat Belt accentuate the shortage of feed that is affecting part of the Great Plains area and portions of the Western States.